

STATE OF INDIANA

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ORDER EXTENDING THE DEADLINE FOR POLITICAL SUBDIVISIONS TO FIX BUDGETS, TAX RATES, AND TAX LEVIES FOR 2009 (ISSUED ON AUGUST 1, 2008)

The Department of Local Government Finance ("the Department") is extending the deadline for the officers of political subdivisions to fix budgets, tax rates and tax levies for 2009. This extension is available for any political subdivision that desires to take advantage of it; those political subdivisions that desire to adopt their budget based on the existing schedule may do so.

This extension is granted due to the lack of sufficient information for the officers of some political subdivisions to fix their budgets, tax rates and tax levies by the September 30 deadline in IC 6-1.1-17-5. In particular, the following circumstances make it impractical for some local officials to prepare, present and deliberate on their 2009 budgets:

- Due to continued delays in the assessments of property caused by the difficulty in implementing the change to market value assessment required by the state Supreme Court's assessment decision, some officials representing political subdivisions lack the information to accurately determine the effect of certain components of House Enrolled Act 1001 (P.L. 146-2008) including the expanded "circuit breaker caps" and additional disclosure for tax increment financing areas
- Some counties have yet to receive their 2008 budget orders from the Department, which is also due to continued delays in the assessments of property.
- Without reasonable estimates of property tax rates and what property tax revenue can be generated in 2009, many County Councils will be unable to accurately perform its non-binding review of civil taxing units' budgets, tax rates, and tax levies, as required by IC 6-1.1-17-3.5.
- Section 867 of House Enrolled Act 1001 (P.L. 146-2008) extended the deadline for the adoption of a Local Option Income Tax ("LOIT") to December 31, 2008. Some local officials will have difficulty approving a budget without knowing precisely what the LOIT rate will be.

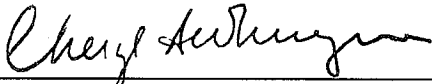
Without more information in each of the areas outlined above, some local officials cannot make informed choices about their budgets, tax rates, or tax levies by the September 30 budget adoption deadline.

Accordingly, it is appropriate and necessary for the Department to extend the deadline for all political subdivisions to December 1. It is clear the legislature intended for officials representing political subdivisions to fix their budgets, tax rates and tax levies with full knowledge of assessed values in their county, since the statutory deadline for certified net assessed value submission is August 1, and extension of the budget adoption deadline is necessary to achieve this legislative intent.

Therefore, in conformance with the authority granted under IC 6-1.1-35-1(1), the Department hereby issues the following ORDERS:

- The deadline for the officials of political subdivisions to fix budgets, tax rates, and tax levies for 2009 is extended to December 1.
- The deadline for other actions ancillary to the extended December 1 budget adoption deadline will be as prescribed by the attached schedule entitled "Amended Timeline of Local Budget Process."

Despite this order to extend the local budget deadline to December 1, the Department remains committed to issuing 2009 budget orders by the February 15 deadline required by statute. Indeed, this year DLGF has issued budget orders at a pace 27% faster than last year. The Department will continue to work with counties to assist them in meeting the statutory deadlines for assessed value submission and budget adoption, and is committed to working toward solutions that will further improve the process.



Cheryl A.W. Musgrave, Commissioner
Department of Local Government Finance